

(S. B. 958)

**(No. 124-2014)**

(Approved August 3, 2014)

## **AN ACT**

To amend subsection (b) of Section 3 of Act No. 13 of May 16, 1962, as amended, known as the “Puerto Rico Land Administration Act,” in order to introduce structures, mechanisms, and procedures that facilitate, expedite, and streamline the decision-making process as well as the exercise of the powers of the Land Administration through its Governing Board; and amend Section 11 of Reorganization Plan No. 4 of June 22, 1994, as amended, in order to conform said Section to the new composition of the Land Administration Governing Board.

### **STATEMENT OF MOTIVES**

This Legislative Assembly has the duty to revise the structure of government agencies and instrumentalities in order to promote their efficient and effective operation. This duty is particularly important in the case of entities that contribute to Puerto Rico’s economic growth.

The efficient, streamlined, and dynamic promotion of projects and developments in the various sectors of the economy is necessary in order for the Island to achieve economic growth. Furthermore, business opportunities currently require and often depend on the ability to act swiftly and diligently, which translates into an important competitive advantage. Therefore, government entities with the potential to contribute to Puerto Rico’s economic development must be as swift and efficient as possible when exercising their powers and fulfilling their responsibilities. This need for government efficiency becomes more evident in the case of our public corporations.

The Puerto Rico Land Administration was created under Act No. 13 of May 16, 1962, as amended, known as the “Puerto Rico Land Administration Act,” (“Act No. 13”), as a public corporation or government instrumentality having a juridical personality separate and apart from that of the Commonwealth of Puerto Rico, Section 3(a) of Act No. 13.

The Administration has been an integral part of the Department of Economic Development and Commerce of the Commonwealth of Puerto Rico since the creation of said Department by virtue of Reorganization Plan No. 4 of June 22, 1994, as amended (“Reorganization Plan No. 4”). Likewise, in accordance with Section 7 of Act No. 13, the Land Administration has been granted broad powers in order for it to achieve its purposes, particularly those focusing on the ownership of available land and real property for the development of projects and to increase economic activity. Such powers are exercised and managed by its Governing Board. With regards to this particular issue, Section 3 of Act No. 13 provides that the Land Administration Governing Board shall be composed of the Governor of Puerto Rico, who shall serve as Chair; the Chair of the Planning Board, who shall serve as Vice-Chair; the Secretaries of the Treasury, Transportation and Public Works, Agriculture, and Housing; and the Economic Development Administrator; as well as (4) additional members who shall be appointed by the Governor and shall hold office for a term of four (4) years and until their successors are appointed and take office. Subsequently, the Secretary of the Department of Economic Development and Commerce replaced the Governor as the Chair of the Governing Board by virtue of Section 11 of Reorganization Plan No. 4.

This Legislative Assembly has determined that the composition of said Board does not contribute to the sound operation of the Land Administration because it is inconsistent with the current public administration needs. For such reason, we have deemed it necessary to adjust the provisions of Act No. 13 to the fact that the

Secretary of the Department of Economic Development replaced the Governor as Board member pursuant to Reorganization Plan No. 4.

In accordance with the public policy of this Legislative Assembly, we have made the decision to professionalize the Land Administration Governing Board in order to provide it with the professional tools necessary to achieve its ministerial duty. We thus eliminate those obsolete provisions on the composition of the Governing Board which are inconsistent with Puerto Rico's reality. Furthermore, the requirement that independent Board members shall be associated with the "New San Juan Center Act [sic]," which is nearing its completion, due to their having knowledge in urban development and redevelopment, is hereby replaced. A requirement for an additional member with experience in managing the operations and finances of a business is also added.

Although we are aware that the Land Administration's importance transcends its capacity and role as a promoter of economic activity, we wish to contribute to the improvement and efficiency of the governing bodies of the various public corporations. For such reason, we have revised Section 3 of Act No. 13, which regulates all matters pertaining to the Land Administration Governing Board, in order to incorporate mechanisms directed toward streamlining and facilitating its work. We thus encourage government efficiency and update procedures so they are consistent with our current reality. Likewise, we have eliminated all those requirements that hinder the selection and decision-making process of said body. For example, we hereby adopt the practice, which is already in effect in other public corporations, of authorizing Board members who are public officials to designate a permanent authorized representative with voting rights to represent them in meetings they are unable to attend. Furthermore, we provide board members with the option to attend meetings through conference calls or other means of communication. The

aforementioned shall provide the Board with the flexibility and swiftness necessary to achieve its duty.

To summarize, the purpose of this measure is to provide the members of the Land Administration Governing Board with the tools and mechanisms necessary so they can better discharge their duties and serve the purposes and objectives for which the Land Administration was created. These changes will undoubtedly inure to the benefit of the Land Administration by streamlining the decision-making process of the Governing Board.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1.- Subsection (b) of Section 3 of Act No. 13 of May 16, 1962, as amended, known as the “Puerto Rico Land Administration Act,” is hereby amended to read as follows:

“Section 3.- Creation; Governing Board, Composition, Terms of Office, and Compensation.

(a) ...

(b) The powers of the Administration shall be exercised and its public policy determined by a Governing Board composed of the Secretary of Economic Development, who shall serve as Chair; the Chair of the Planning Board, who shall serve as Vice-Chair; the Secretaries of the Treasury, Transportation and Public Works, Agriculture, and Housing; and three (3) additional members to be appointed by the Governor, with the advice and consent of the Senate, for a term of four (4) years and until their successors are appointed and take office. Among the Board’s additional members, one (1) shall have a background and expertise in urban development projects and one (1) shall have expertise in administration or finance. The members of the Board who are public officials may designate, by means of a written communication to the Chair of the Board, a permanent authorized

representative with voting rights who shall represent them in meetings they are unable to attend.

However, the Board may make decisions without holding a Board meeting only by unanimous written consent of all Board members. In such cases, the written document shall be recorded in the minutes of the Board. Such power of the Board may be restricted by the bylaws or an agreement of the Board. Board members may participate in any meeting by conference call or any other means of communication, whereby all members participating in the meeting may communicate simultaneously. The participation of any member of the Board in the manner described above shall constitute attendance to such meeting.”

Section 2.- Section 11 of Reorganization Plan No. 4 of June 22, 1994, as amended, is hereby amended to read as follows:

“Section 11.- Land Administration.

The Land Administration is hereby attached to the Department of Economic Development and Commerce, which shall continue to operate pursuant to Act No. 13 of May 16, 1962, as amended. The Governor shall appoint the Executive Director with the advice and consent of the Senate and shall fix his salary. The Executive Director shall answer directly to the Board.”

Section 3.- This Act shall take effect upon its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 124-2014 (S. B. 958)** of the **3<sup>rd</sup> Regular Session** of the **17<sup>th</sup> Legislative Assembly of Puerto Rico**:

**AN ACT** amend subsection (b) of Section 3 of Act No. 13 of May 16, 1962, as amended, known as the “Puerto Rico Land Administration Act,” in order to introduce structures, mechanisms, and procedures that facilitate, expedite, and streamline the decision-making process as well as the exercise of the powers of the Land Administration through its Governing Board; and amend Section 11 of Reorganization Plan No. 4 of June 22, 1994, as amended, in order to conform said Section to the new composition of the Land Administration Governing Board.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 19<sup>th</sup> day of May, 2022.

Mónica Freire-Florit, Esq.  
Director